City Council of Peachtree City
Minutes of Special Called Meeting
July 30, 2008
7:30 a.m.

The City Council of Peachtree City met in a special called meeting on Wednesday, July 30, 2008, in the City Hall Council Chambers. Mayor Logsdon called the meeting to order at 7:30 a.m. Other Council Members present were: Steve Boone, Don Haddix, Cyndi Plunkett, and Doug Sturbaum.

The purpose of the special called meeting was to conduct a public hearing to discuss the millage rate for 2008.

A copy of the PowerPoint presentation is included in the official meeting file. Finance Director Paul Salvatore said the proposed millage rate for the 2008 tax year was 5.533 mills, the same as last year's rate. The current millage rate was broken down into two components – the bond millage rate of 0.548 mills and the Maintenance & Operation (M&O) millage rate of 4.985 mills. For 2008, the bond millage rate would be reduced by 0.137 mills to 0.411 mills, and the M&O millage rate would increase by 0.137 mills to 5.122 mills.

Salvatore continued that the M&O rollback rate was calculated at 4.976 mills, and the proposed rate was 5.122 mills. The difference of 0.146 mills (0.009 mills from rollback and 0.137 mills reallocated from bond millage) would generate approximately $277,000 in tax revenue for FY 2009. For a property valued at $245,000 fair market value, the annual tax increase was approximately 88 cents.

Salvatore said the 2008 City tax bill for a property valued at $245,000 fair market value would be approximately $3,400.89, which included the Fayette County School tax at $2,304.96 (23.520 mills for both bond and M&O rates at 68% of the bill), the Fayette County incorporated tax at $529.29 (5.400 mills at 16% of the bill), the City tax at $542.23 (5.533 mills at 16% of the bill), and the state tax at $24.50 (0.250 mills at one percent).

Boone asked what the tax digest had come in at. Salvatore said that the digest had increased 2.5% over last year. Boone said that the value of property across the country had decreased 16% to 18% on average. Salvatore noted that increased value due to reassessment was a minute part of the increase. Plunkett understood that new growth contributed to much of the growth in the digest. Salvatore said the total of the reassessment value was approximately $3 million. Boone said he had not seen much new growth. City Manager Bernard McMullen said the 2.5% increase was just in the City, adding that the majority of the digest increase was due to new growth. Salvatore said $44 million of the tax digest growth was due to new construction and $3.2 million was due to reassessments.

Salvatore explained that, if the fair market values continued to decline, that the assessed value of property could not be more 40% of the fair market value. He asked the tax assessor why the assessed values were not going down, and he was told there was window for where the assessments could be set. The County set the assessed value at 36% to 37%, so if the fair market values decreased, they would not have to lower the assessed value. The assessed value would get closer to the 40%.

There being no further business to discuss, Haddix moved to adjourn the meeting. Logsdon seconded. The motion carried unanimously. The meeting adjourned at 7:45 a.m.

Pamela Dufresne
Pamela Dufresne, Deputy City Clerk

Harold K Logsdon
Harold K. Logsdon, Mayor

City Council of Peachtree City
Minutes of Special Called Meeting
July 30, 2008
6:00 p.m.

The City Council of Peachtree City met in a special called meeting on Wednesday, July 30, 2008, in the City Hall Council Chambers. Mayor Logsdon called the meeting to order at 6:00 p.m. Other Council Members present were: Steve Boone, Don Haddix, Cyndi Plunkett, and Doug Sturbaum.

The purpose of the special called meeting was to conduct a public hearing to discuss the millage rate for 2008.

A copy of the PowerPoint presentation is included in the official meeting file. Finance Director Paul Salvatore said the proposed millage rate for the 2008 tax year was 5.533 mills, the same as last year's rate. The current millage rate was broken down into two components – the bond millage rate of 0.548 mills and the Maintenance & Operation (M&O) millage rate of 4.985 mills. For 2008, the bond millage rate would be reduced by 0.137 mills to 0.411 mills, and the M&O millage rate would increase by 0.137 mills to 5.122 mills.

Salvatore continued that the M&O rollback rate was calculated at 4.976 mills, and the proposed rate was 5.122 mills. The difference of 0.146 mills (0.009 mills from rollback and 0.137 mills reallocated from bond millage) would generate approximately $277,000 in tax revenue for FY 2009. For a property valued at $245,000 fair market value, the annual tax increase was approximately 88 cents.

Salvatore said the 2008 City tax bill for a property valued at $245,000 fair market value would be approximately $3,400.89, which included the Fayette County School tax at $2,304.96 (23.520 mills for both bond and M&O rates at 68% of the bill), the Fayette County incorporated tax at $529.29 (5.400 mills at 16% of the bill), the City tax at $542.23 (5.533 mills at 16% of the bill), and the state tax at $24.50 (0.250 mills at one percent).

No one from the public spoke for or against the proposed millage rate.

Plunkett noted that she had received an e-mail from Dave Lowry, who was in attendance at the public hearing. Lowry had asked why there would not be a tax rollback if the tax digest had increased. Salvatore said the rollback amount was 0.009 mills, which would only generate $17,000 in additional tax revenue. The issue was that the City had realized a savings of approximately $250,000 (0.137 mills) on the bond that was desperately needed on the M&O side of the budget since approximately $1.2 million was needed from the cash reserves to balance the budget. The 0.137 mills had been reallocated from the bond to maintenance and operation. To get back to the rollback rate of 4.976 mills from the 5.122 mills would cost almost $300,000 from the General Fund.

City Manager Bernard McMullen added that only 7% of the 2.5% increase in the digest had come from reassessments. Ninety-three percent had come from new growth.

Plunkett pointed out the biggest portion of the increase in the tax bills was due to the Board of Education's millage increase, not the City's.

Logsdon asked Salvatore to explain how the assessed value of property was done. Salvatore explained that the assessed value could not be more than 40% of the fair market value. The assessed values in Fayette County were, on average, approximately 37% of the fair market value. If the fair market value came down, the assessed value was just closer to 40% and did have to be lowered. McMullen added that people were usually more upset that the assessed value of their property had gone down than with a tax increase.

Lowry said his questions were answered. He had reacted more to the news media reports about the fair market value going down. He had been surprised when he researched the issue and found that Atlanta's housing market was holding steady.

There being no further business to discuss, Boone moved to adjourn the meeting. Haddix seconded. The motion carried unanimously. The meeting adjourned at 6:16 p.m.

Pamela Dufresne

Pamela Dufresne, Deputy City Clerk

Harold K Logsdon

Harold K. Logsdon, Mayor